PM1.14/2: let. 591-40

Office of Personnel Management

Federal Personnel Manual System

FPM Letter 591-40

RETAIN UNTIL SUPERSEDED

Washington, D. C. 20415

September 8, 1981

SUBJECT: Nonforeign Area Cost of Living Allowance for Guam and the State of Hawaii and Post Differentials for Eligible Areas

Supersedes FPM Letter 591-37

Heads of Departments and Independent Establishments:

1. Introduction

The Office of Personnel Management has completed its 1981 review of the cost of living allowances paid to eligible employees on Guam and the State of Hawaii and the post differential paid to eligible employees on Guam and certain islands of the Pacific. These allowances are paid under 5 U.S.C. 5941, Executive Order 10,000 as amended, and part 591 of the Office's regulations. This letter announces the results of the review.

2. Effective date of Allowance Rate Adjustmerts

The effective date of the allowance rates shown in the attachment is the first pay period that begins on or after September 6, 1981.

3. Post Differential Review

Based on a review of the post differential rates, the Office has determined that no change is warranted in the rates currently authorized. The differential rates and locations are as follows:

Location	Differential Rate
American Samoa	25%
Canton Island	25
Christmas Island	25
Johnston and Sand Islands	25
Midway Islands	25
Wake Island	25
Guam	20

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4. General Information

Agencies are requested to inform employees in the areas concerned of the actions approved by the Office. When doing so you are urged to advise employees that the allowance rates are subject to change, up or down, after each review. It is also important that they understand that the law does not provide for an allowance to compensate for increases in the cost of living, as such. Rather, the law provides for an allowance to compensate for the differences in living costs between Washington, D.C., and the nonforeign areas when living costs there are substantially higher than comparable costs in Washington, D.C.

Donald J. Devine
Director

Attachment

Inquiries: Allowances and Special Rates Division, Compensation Group, 202-632-8742 or ext. 28742

Code: 591, Allowances and Differentials Payable in Nonforeign Areas

Distribution: FPM

This attachment shows the cost of living allowance rates for each allowance category for those locations for which an allowance has been authorized by OPM. It also includes definitions of the allowance categories for use in determining employee eligibility for an allowance.

GEOGRAPHIC COVERAGE/ ALLOWANCE CATEGORY	INDEX	ALLOWANCE RATE

State of Hawaii

ISLAND OF OAHU

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	117.0	17.5%
Local Retail/ Federal Housing	110.6	10.0%
Commissary/PX/ Private Housing	105.7	5.0%
Commissary/PX/ Federal Housing	99.4	-0-

ISLAND OF KAUAI

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	117.6	17.5%
Local Retail/ Federal Housing	114.2	15.0%
Commissary/PX/ Private Housing	116.2	15.0%
Commissary/PX/ Federal Housing	112.7	12.5%

ISLAND OF MOLOKAI

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	116.3	17.5%
Local Retail/ Federal Housing	110.3	10.0%
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

ISLAND OF MAUI AND ISLAND OF LANAI 1/

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	117.2	17.5%
Local Retail/ Federal Housing	111.9	12.5%
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

1/ The index for Maui and Lanai was computed using the 1980 housing index since the sample from the 1981 housing survey was inadequate. A resurvey is in progress. A new index will be published, if necessary, when the resurvey is completed.

ISLAND OF HAWAII

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	109.5	10.0%
Local Retail/ Federal Housing	106.8	7.5%
Commissary/PX/ Private Housing	None*	---
Commissary/PX/ Federal Housing	None*	---

ISLAND OF GUAM

Allowance Category	1981 Index	Authorized Allowance Rate
Local Retail/ Private Housing	111.2	10.0%
Local Retail/ Federal Housing	111.2	10.0%
Commissary/PX/ Private Housing	103.3	-0-
Commissary/PX/ Federal Housing	103.3	-0-

* The word "None" means that the allowance category does not exist in that allowance area and the appropriate local retail index and allowance rate applies depending on the type of housing occupied.

Definitions of Allowance Categories

The following definitions of the various allowance categories identified in the tables in this attachment shall be used in determining employee eligibility for the appropriate allowance rate:

Allowance Category	Definition
Local Retail/ Private Housing	This category includes those Federal employees who purchase goods and services from private retail establishments and who occupy housing units that are privately owned or rented. It also includes those employees who do not fall into one of the other allowance categories.
Local Retail/ Federal Housing	This category includes those Federal employees who purchase goods and services from private retail establishments and who occupy, as a result of their Federal civilian employment, housing units that are owned or leased by a Federal agency.
Commissary/PX/ Private Housing	This category includes those Federal employees who have unlimited access to and who use military commissary and exchange facilities stemming from their Federal civilian employment and who occupy housing units that are privately owned or leased.
Commissary/PX/ Federal Housing	This category includes those Federal employees who have unlimited access to and who use military commissary and exchange facilities stemming from their Federal civilian employment and who occupy, as a result of their Federal civilian employment, housing units that are owned or leased by a Federal agency.

Note: Eligibility for access to military commissary and exchange facilities is determined by the appropriate military department. If an employee is furnished commissary/exchange privileges for reasons associated with his or her Federal civilian employment, he or she will have an identification card that authorizes access to the facilities. Possession of such an identification card, i.e., one issued by reason of his or her Federal civilian employment, is sufficient evidence that the employee uses the facilities. Similarly, the fact that an employee who has been authorized to occupy a Federally owned or leased housing unit as a result of his or her Federal civilian employment actually occupies the unit is evidence that the unit is "used".

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